

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
July 2006

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SBA Home Page
<http://www.sba.gov>

Wisconsin SBA Home Page
<http://www.sba.gov/wi>

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Steven C. Preston Sworn in as SBA Administrator



Steven C. Preston was sworn in Monday July 10, 2006 as Administrator of the U.S. Small Business Administration.

Preston, nominated to the position by President Bush, is a former business executive with broad experience in financial management and executive leadership. He is the 22nd Administrator of the SBA since the agency's establishment in 1953, succeeding Hector V. Barreto, who took office on July 25, 2001.

The U.S. Senate confirmed him by unanimous consent on June 29th. The Senate Committee on Small Business and Entrepreneurship had unanimously recommended Preston's confirmation earlier in the day.

"I am grateful to President Bush for the opportunity to serve in a way that

so directly affects the lives of so many Americans," Preston said. "I am also humbled by the bipartisan support I have received in Congress and am committed to fostering a strong relationship with the many stakeholders of the SBA."

During his confirmation hearing on June 21st Preston emphasized the importance of sophisticated financial management, operational responsiveness and a customer service culture at the SBA. "None of this happens by accident": he said. "It requires dogged focus to move the ball forward each and every day."

Until recently, Preston was Executive Vice President of The ServiceMaster Company, a major franchising organization with thousands of small businesses in its network. Preston also had served as Chief Financial Officer. He previously had been Senior Vice President and Treasurer of First Data Corporation, and an investment banker at Lehman Brothers.

He currently serves as vice chairman of the Board of Visions for the Weinberg College of Arts and Sciences at Northwestern University, and has served on numerous boards of philanthropic and other organizations.

Preston graduated with Highest Distinction from Northwestern University with a political science degree and received an MBA from the University of Chicago Graduate School of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany.

Preston and his wife, Molly, have five children and will be relocating to the Washington, D.C. area.

Wisconsin Lenders Did You Know?

Did you know that documents, forms, guides, reference materials and other information packets are available from the Service Center at any time, day or night, via email?

We have the chapters of the National Lending Guide, contact information, online training sessions, where to send guaranty fees and more.

Visit the Wisconsin lenders website at www.sba.gov/wi/WI_LENDERS.html

Wisconsin SBA staff can be found at:

Milwaukee

www.sba.gov/wi/WI_MILPERSONNEL.html

Madison

www.sba.gov/wi/WI_MADPERSONNEL.html

Big Advice For Your Small Business

Besides inadequate access to capital, perhaps the single most important obstacle to small business success is the lack of technical and management assistance, and access to timely and accurate information, training, counseling and business education.

That's why the Small Business Development Center program is one of the U.S. Small Business Administration's bedrock offerings. If you are considering starting your own business or encounter problems with an existing business, the SBDC program can help you navigate the road to success by guiding you through the critical steps to business success.

The SBDC program provides counseling and training to those who want to start a small business and to existing small business owners. The SBDC program is a cooperative effort of the private sector, the educational community and federal, state and local governments. It enhances economic development by providing small businesses with management and technical assistance.

Located primarily at colleges and universities across the country, the program boasts a network of more than 1,100 small business development centers, one network in every state. SBDC service centers are available to provide you with insightful information and valuable advice on how to start or grow your small business.

SBDCs provide services that include business counseling and training, such as assistance with financial marketing, organization, engineering and technical problems and feasibility studies. Special programs and economic development activities include international trade assistance, technical assistance, procurement assistance, venture capital formation, and rural development. Counselors help entrepreneurs with loan applications, business plans and common everyday business management problems, such as establishing a bookkeeping system, hiring employees or planning for sales via the Internet.

SBDC service centers are located at colleges, universities, community colleges, vocational schools, chambers of commerce and economic development corporations. They also provide online counseling and use "circuit riders" who visit individual businesses and hold seminars and training sessions at remote locations.

Each SBDC develops its services in cooperation with the local SBA District Office to bring together other available resources. The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management. SBDC assistance is tailored to each local community and to the individual needs of clients.

Each SBDC has a director, staff members, volunteers, and part-time personnel. Qualified individuals who donate their services are recruited from professional and trade associations, the legal and banking community, academia, chambers of

commerce and SCORE "Counselors to America's Small Business". In addition, SBDCs also use paid consultants, consulting engineers and testing laboratories from the private sector to help clients who need specialized expertise.

Counseling and training assistance from an SBDC is available to anyone interested in starting a small business for the first time, or improving or expanding an existing small business. The SBDCs make special efforts to reach minority members of socially and economically disadvantaged groups, veterans, women and the disabled. Assistance is also provided to small businesses applying for Small Business Innovation and Research grants from federal agencies.

SBDC sites are located throughout the country. For locations in Wisconsin, visit online at

www.sba.gov/wi/WI_WISBDC.html

Frequently Asked Questions? We've Got the Latest Answers

Two years ago, the Office of Advocacy's Chief Economist Chad Moutray held a series of regional focus groups with academics to discuss Advocacy's many research and data products. As a result, Moutray learned many things that could be applied to the office's future research projects. One important finding of the focus groups was the importance of Advocacy publications such as the *Frequently Asked Questions* (FAQ), a quick reference tool that is easy to access. Academics, policymakers, and researchers use the FAQ almost universally. It is a handy source of small business factoids, as well as an entrée to other studies from Advocacy. According to Harold Welsch, a professor at DePaul University in Chicago, the FAQ is an excellent resource that "should be in the hands of every student in the country." Indeed, many college faculty introduce their students to the importance of small businesses

through the FAQ, *The Small Business Economy*, and other Advocacy publications.

Small Business FAQ

The FAQ is available in two forms on Advocacy's website. Find the text version by visiting www.sba.gov/advo then selecting "Frequently Asked Questions." You may access the Acrobat version at www.sba.gov/advo/stats/sbfaq.pdf.

The FAQ was updated in June and is included in this month's Advocacy newsletter. www.sba.gov/advo/newsletter.html. It features the now-familiar refrains about small firms. These include the facts that small businesses represent virtually all of the businesses in the economy; employ half of all private sector employees; account for half of non-farm, private gross domestic product; and have generated 60 to 80 percent of the net new jobs over the past decade. Such statements about the importance of small businesses are often heard in speeches and articles about entrepreneurship. The FAQ gives you the most up-to-date figures, and Advocacy is careful to include citations for each piece of information.

Advocacy estimates that there were 25.8 million businesses in the United States in 2005, a large jump from the previous year's 24.7 million firms. Estimated new employer firm openings outnumbered employer firm closures in 2005 by 127,000. Therefore, much of the difference in new firm counts came from an increase in non-employer businesses.

Finally, the FAQ includes some new data from the 2002 Survey of Business Owners administered by the U.S. Census Bureau. Since this economic survey is conducted once every five years, it provides important information on business ownership demographics. The survey confirms the recent trend of rapid growth among women- and minority-owned business ventures. (Additional data on veterans, service-disabled veterans, and home-based businesses is forthcoming later this year.)

Growing & Managing Your Business

Forecasting for Growth

To be effective as a leader, you must develop skills in strategic thinking. Strategic thinking is a process whereby you learn how to make your business vision a reality by developing your abilities in team work, problem solving, and critical thinking. It is also a tool to help you confront change, plan for and make transitions, and envision new possibilities and opportunities.

As you develop a strategic vision for your business, you should focus on five different criteria. These five criteria will help you define your ideal outcome. In addition, they will help you set up and develop the steps necessary to make your business vision a reality.

The following is a list of five criteria of the strategic thinking process:

Organization: The organization of your business involves the people you will have working for you, the organizational structure of your business and the sources necessary to make it all work. What will your organization look like? What type of structure will support your vision? How will you combine people, resources, and structure together to achieve your ideal outcome?

Observation: Strategic thinking allows you to see things from "higher up". By increasing your powers of observation, you will begin to become more aware of what motivates people, how to solve problems more effectively, and how to distinguish between alternatives.

Views: Views are simply different ways of thinking about something. In strategic thinking, there are four viewpoints to take into consideration when forming your business strategy: the environmental view; the marketplace view; the project view; and the measurement view. Views can be used as tools to help you think about

outcomes, identify critical elements, and adjust your actions to achieve your ideal position.

Driving Forces: What are the driving forces that will make your ideal outcome a reality? What is your company's vision and mission? Driving forces usually lay the foundation for what you want people to focus on in your business.

Ideal Position: After working through the first four phases of the strategic thinking process, you should be able to define your ideal position. Your ideal position outline should include the conditions you have found to be necessary if your business is to be productive; the niche in the marketplace that your business will fill; any opportunities that may exist either currently or in the future for your business; the core competencies or skills required in your business; and the strategies and tactics you will use to pull it all together.

By working through these five areas, you will begin to get a clearer picture of exactly how your business vision can be accomplished. As your vision becomes more focused, your ideas will appear stronger and more credible. Not only will it be easier to convince others that your idea is a good one, but it will also be easier to maintain your own conviction and motivation when you reach any pitfalls or obstacles in the road.

SCORE Corner

Volunteers Wanted

SCORE – Service Corps of Retired Executives, counselors to America's Small Businesses, needs additional experienced businesspersons and women. SCORE, working through the Small Business Administration, counsels people who wish to start a business and people with existing businesses who need help. SCORE also offers a Small Business Workshop that teaches business fundamentals needed for business startup. Retired persons will find this a very interesting and rewarding volunteer experience.

For more information, call Carole Kauss at the Southeastern office in Milwaukee at (414) 297-3942 or send your resume to:

SCORE

Attn: Membership Chairperson
310 W. Wisconsin Ave., Suite 425
Milwaukee, WI 53203

SBA June 2006 Loan Totals

Altra FCU

La Crosse – 1 Loan for \$112,400

Amcore Bank NA

Rockford, IL – 1 Loan for \$45,000

Amcore Financial Life Insurance Co.

Rockford, IL – 1 Loan for \$212,000

American National Bank**Fox Cities**

Appleton – 2 Loans for \$250,000

Anchor Bank, FSB

Madison – 4 Loans for \$385,000

Associated Bank NA

Green Bay – 34 Loans for
\$5,400,700

Bank Mutual

Milwaukee – 1 Loan for \$130,000

Wauwatosa – 1 Loan for \$130,000

Total: 2 Loans for \$260,000

Baylake Bank

Sturgeon Bay – 1 Loan for \$210,000

Capital One Federal Savings Bank

McLean, VA – 6 Loans for
\$265,000

Citizens Bank

Kaukauna – 2 Loans for \$746,000

Comerica Bank

Detroit, MI – 1 Loan for \$163,800

Community Bank & Trust

Sheboygan – 11 Loans for
\$1,775,000

Community First Bank

Baraboo – 1 Loan for \$425,000

Community First CU

Appleton – 3 Loans for \$66,000

Cornerstone Community Bank

Grafton – 2 Loans for \$70,000

Farmers & Merchants Bank

Waterloo – 1 Loan for \$270,000

First Bank Financial Centre

Oconomowoc – 3 Loans for
\$641,800

First Banking Center

Burlington – 1 Loan for \$225,000

First National Bank in Manitowoc

Manitowoc – 1 Loan for \$75,000

First National Bank Fox Valley

Neenah – 1 Loan for \$785,000

Oshkosh – 1 Loan for \$80,000

Total: 2 Loans for \$865,000

First National Bank

River Falls – 1 Loan for \$150,000

Foundations Bank

Pewaukee – 2 Loans for \$692,238

Fox Communities CU

Appleton – 1 Loan for \$37,400

Franklin State Bank

Franklin – 1 Loan for \$680,000

Grafton State Bank

Grafton – 1 Loan for \$50,000

Great Lakes Asset Corporation

Green Bay – 1 Loan for \$249,000

Hometown Bank

St. Cloud – 5 Loans for \$2,007,000

Investors Community Bank

Manitowoc – 2 Loans for \$873,000

Johnson Bank

Racine – 5 Loans for \$415,000

JPMorgan Chase Bank NA

Houston, TX

11 Loans for \$645,000

Legacy Bank

Milwaukee – 2 Loans for \$548,000

M&I Marshall & Ilsley Bank

Milwaukee – 12 Loans for

\$1,867,600

McFarland State Bank

McFarland – 1 Loan for \$150,000

Mid American Bank, FSB

Downers Grove, IL

1 Loan for \$63,000

Monona State Bank

Monona – 1 Loan for \$15,000

Park Bank

Brookfield – 1 Loan for \$37,000

Milwaukee 1 Loan for \$600,000

Total: 2 Loans for \$637,000

Peoples State Bank

Wausau – 2 Loans for \$225,000

Port Washington State Bank

Belgium – 1 Loan for \$902,000

Racine County Business**Development Corp.**

Racine – 1 Loan for \$378,000

River Valley State Bank

Wausau – 3 Loans for \$257,000

Royal CU

Eau Claire – 1 Loan for \$376,000

S & C Bank

New Richmond

2 Loans for \$1,076,600

State Bank of Arcadia

Arcadia – 1 Loan for \$382,000

State Bank of Viroqua

Viroqua – 1 Loan for \$200,000

The Business Bank

Minnetonka, MN

1 Loan for \$350,000

The Park Bank

Madison – 2 Loans for \$720,000

The Reedsburg Bank

Reedsburg – 2 Loans for \$995,000

Twin Cities Metro**Certified Development**

Shoreview, MN

1 Loan for \$1,141,000

U.S. Bank NA

Cincinnati, OH

25 Loans for \$1,229,900

San Diego, CA – 1 Loan for
\$950,000

Total: 26 Loans for \$2,179,900

Union Bank of Blair

Blair – 1 Loan for \$68,000

Waukesha State Bank

Waukesha – 3 Loans for \$990,000

Wells Fargo Bank, NA

Minneapolis, MN

1 Loan for \$800,000

San Jose, CA – 14 Loans for
\$802,000

Total: 15 Loans for \$1,602,000

Wisconsin Business**Development Finance Corp.**

Monona – 23 Loans for \$12,413,000

Wisconsin Community Bank

Cottage Grove – 2 Loans \$650,000

SBA June 2006 Microloans

**Lincoln Neighborhood
Redevelopment Corp.**

3 Loans for \$59,000

SBA 2007 SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community

SBA's size standards apply in defining a business as small- individuals who own and operate or bear principal responsibility for operating a small business are eligible.

AWARD CATEGORIES

Please check one or more potential categories:

- ☐ **Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions.
- ☐ **Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraging other firms to export, increased jobs through exports, and innovative methods of creating markets.
- ☐ **SBA Young Entrepreneur of the Year:** Owner will not reach 30th birthday by June 1, 2007, three-year evidence of success in sales and profits, increased jobs, innovative products, demonstrated potential.
- ☐ **Minority Small Business Person of the Year:** For developing an outstanding, growing business, innovative products, overcoming adversity and community contributions (Wisconsin award)
- ☐ **Emerging Small Business Person** For developing an outstanding business with at least a three year track record, under 25 employees, under \$2.5 million in sales and less than 10 years in business (Wisconsin award)

Small Business Champions of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Champions may or may not be small business owners.

- | | |
|---|--|
| <input type="checkbox"/> Minority Small Business Champion | <input type="checkbox"/> Women in Business Champion |
| <input type="checkbox"/> Veteran Small Business Champion | <input type="checkbox"/> Small Business Journalist |
| <input type="checkbox"/> Small Business Legal Assistance (WI Award) | <input type="checkbox"/> Family-Owned Small Business |
| <input type="checkbox"/> Financial Services Champion (Accountant advocate merged with this category) | <input type="checkbox"/> Home Based Business Champion |
| <input type="checkbox"/> Jeffrey Butland Family Owned Small Business – A family owned business that has passed from one generation to another and owner has responsibility for operating the business with at least a 15 year track record | |

NOMINEE INFORMATION

I nominate _____ Title _____
 Company/Organization _____ Address _____
 Phone _____ Fax _____ E-mail _____

Nominees Qualifications for this Award—**attach short description on why this business/advocate should be considered:**

When nominating a business owner please complete the following: Is the company operating profitably _____
 # of years in business _____ # of employees _____ annual sales \$ _____ SIC/NAICS code _____

NOMINATOR'S INFORMATION:

Nominator Name _____ Title _____
 Organization _____
 Address _____
 Phone _____ Fax _____ E-mail _____

Reply by **September 29, 2006**

mail (or fax 414-297-1377) this form to:
Small Business Awards Committee, U.S. Small Business Administration
310 West Wisconsin Avenue, Suite 400
Milwaukee, WI 53203

For more information, please contact: (414) 297-1093. Self-nominations accepted. This form may be duplicated. **For further consideration, a nomination binder with detailed materials will be requested.** SBA will contact the nominator with details. Thanks for your support!